

Message Text

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SUBJECT: SCALISTIRI GROUP PLANS EXPANSION OF MAGNESITE PRODUCTION

REF: A. ATHENS A-73, B. ATHENS A-147, C. ATHENS A-132

1. MACEDONIAN MAGNESITE MINING INDUSTRIAL AND SHIPPING INC.

(SCALISTIRI GROUP OF MINING COMPANIES) OBTAINED ON JUNE 28

GOVERNMENT APPROVAL TO INVEST 311 MILLION DRACHMAS (\$8.6 MILLION)

FOR THE EXPANSION AND IMPROVEMENT OF ITS MAGNESITE MINING AND
SHIPLOADING FACILITIES AT ORMILIA, CHALKIDIKI, AND FOR THE INSTALLATIO

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OF BENEFICIATION FACILITIES BASED ON NEW METHODS OF FLOTATION,
CALCINATION, AND BRIQUETTING OF MAGNESITE DEVELOPED BY THE SCALISTIRI

GROUP TECHNICIANS. ANNUAL PRODUCTION CAPACITY WILL BE 50,000

TONS DEAD BURNED MAGNESITE BRIQUETTES. THE COMPANY EXPECTS TO

COMPLETE THIS INVESTMENT WITHIN 1977. TOTAL EXPENDITURE IS EXPECTED

TO REACH \$10 MILLION, OUT OF WHICH APPROXIMATELY \$4 MILLION

IS FOR PURCHASE OF FOREIGN MACHINERY AND MECHANICAL INSTALLATIONS,

INCLUDING CRUSHING, GRINDING, FLOTATION, DRYING, CALCINATION,

BRIQUETTING AND BURNING. THE FIRM HAS REPORTEDLY ORDERED MAGNETIC

SEPARATORS IN CZECHOSLOVAKIA, GRINDING AND FLOTATION EQUIPMENT IN

FRANCE (UNITEC) AND SWEDEN (SALA), AND TWO VERTICAL KILNS (NICHOLS)

IN BELGIUM. FURTHER PURCHASES WILL INCLUDE CONVEYOR SYSTEMS,

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PRESSES AND DRYING FURNACE.

2. ANOTHER SCALISTIRI GROUP COMPANY, THE FINANCIAL MINING INDUSTRIAL AND SHIPPING CORP. (FIMISCO) OBTAINED ON JUNE 28 APPROVAL TO INVEST 120 MILLION DRACHMAS (\$3.3 MILLION) FOR THE DEVELOPMENT OF MAGNESITE MINES ON LESVOS ISLAND AND INSTALLATION OF ORE DRESSING FACILITIES THERE TO PRODUCE 36,000 TONS DRESSED MAGNESITE ANNUALLY. (IT WILL INSTALL SNCH UNITEC SINK FLOAT INSTANTIONS)

THIS INVESTMENT, WHICH IS EXPECTED TO BE COMPLETED IN 1977, IS AMONG THE FIRST APPROVED BY THE GREEK GOVERNMENT UNDER THE NEW LAW 289/76 PROVIDING INCENTIVES FOR THE REGIONAL DEVELOPMENT OF FRONTIER AREAS (SEE REF B).

3. THE SCALISTIRI GROUP IS THE MAJOR MAGNESITE PRODUCER OF GREECE AND A FAST GROWING COMPANY. ITS PRESENT ANNUAL CAPACITY OF DEAD BURNED MAGNESITE IS 330,000 TONS. BY 1980, WHEN ITS SEA WATER MAGNESIA PROJECT WILL ALSO BE COMPLETED, THE FIRM EXPECTS TO REACH A CAPACITY OF OVER 550,000 TONS DEAD BURNED MAGNESITE ANNUALLY AND 80,000 TONS OF REFRACTORIES (SEE REF A). THE SCALISTIRI GROUP OF MINING COMPANIES CONDUCTS EXCAVATIONS OF APPROXIMATELY 60 MILLION TONS ANNUALLY AND BUYS \$4-\$10 MILLION WORTH OF SURFACE MINING EQUIPMENT, MOSTLY FROM THE U.S. KUBISCH

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